

Two-Tiered Eligibility Frequently Asked Questions:

Why is DWS changing to a two-tiered system?

The Department of Workforce Services, the Office of Work and Family Life/Office of Child Care have been discussing this topic with the department's legislative committee for a few years. In 2007, the legislative committee requested a formal study of the topic that resulted in a legislative appropriation to implement the strategy.

What is a two-tiered eligibility system?

A tiered eligibility system will allow the Department of Workforce Services (DWS) to use a lower income limit when making an eligibility determination for a family seeking initial child care assistance, and apply a higher income limit, as the family's eligibility is periodically re-determined. The two-tier eligibility system allows a family to receive child care assistance longer while experiencing modest success in the job market. It also allows for the DWS to address the cliff effect that many parents encounter when transitioning off child care assistance.

What is the cliff effect?

The cliff effect occurs when a parent is eligible for child care assistance one month, and because of an increase in income, is not eligible for assistance the following month. The parent is then left with a large child care expense which puts them in a worse financial situation than they were before the raise because the increase in monthly income does not cover the large increase in their child care expense.

What is a co-payment?

Per the Child Care Development Fund (CCDF), parents who are receiving child care assistance are required to pay a portion of their child care expense. Co-payments are based upon a parent's income, the household size, and how many children are receiving assistance.

How does this affect me as a child care provider?

In order for DWS to implement this new process the parent's co-payment will be increasing as of July 1, 2008. The increase in the co-payment will allow the child care subsidy to be gradually reduced while the parent assumes a greater responsibility for the cost of child care. The parent is responsible to pay the co-payment and any other costs for child care directly to you, the provider. It is very important providers collect the co-payment and any other child care costs.